
By: **Senators Munson, Middleton, Brinkley, Colburn, Dyson, Hafer, Haines,
Harris, Hooper, Jacobs, Kittleman, Klausmeier, Kramer, Mooney,
Pipkin, and Stoltzfus**

Introduced and read first time: February 6, 2004
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 24, 2004

CHAPTER _____

1 AN ACT concerning

2 **2020 Rural Maryland - Agricultural and Resource-Based Industry**
3 **Development Act**

4 FOR the purpose of establishing the Maryland Agricultural and Resource-Based
5 Industry Development Corporation for certain purposes; establishing the
6 membership, terms, and duties of the board of directors of the corporation;
7 providing for the staffing of and assistance to the corporation; establishing the
8 powers and duties of the corporation; authorizing the corporation to acquire and
9 dispose of certain property, to finance certain projects, to issue, redeem, and
10 secure certain bonds and debt, including revenue bonds and refunding bonds;
11 authorizing the corporation to make certain loans, insure certain assets and
12 matters, establish and collect certain charges, and establish and pay certain
13 interest; authorizing certain lending institutions and other persons to take
14 certain actions concerning the corporation; establishing the conditions under
15 which the corporation may issue and redeem certain debt; providing that
16 neither the State nor any political subdivision other than the corporation shall
17 be obliged to pay a bond or interest of the corporation except from revenues
18 pledged on the bond; providing that neither the full faith and credit nor the
19 taxing power of the State or any political subdivision of the State is pledged to
20 the payment of the principal or interest of bonds of the corporation; ~~authorizing~~
21 ~~the Treasurer to advance certain funds to the corporation, to be repaid in a~~
22 ~~certain manner~~; providing that the books and records of the corporation are
23 subject to audit; providing for certain exemptions from certain State laws for the
24 corporation; providing that the corporation and certain persons are subject to
25 certain laws; ~~providing for certain funding for the corporation~~; providing that
26 the debts, claims, obligations, and liabilities of the corporation are of the

1 corporation only, and not of the State or any other unit, instrumentality, officer,
 2 or employee of the State; defining certain terms; stating certain findings of the
 3 General Assembly; requiring certain reports about the corporation to certain
 4 persons on certain dates; making the provisions of this Act severable; stating the
 5 intent that funding for the corporation must be provided within existing
 6 resources of certain State agencies and that additional funding may not be
 7 provided until certain conditions are met; and generally relating to Maryland
 8 agricultural and resource-based industry development.

9 BY adding to

10 Article 41 - Governor - Executive and Administrative Departments
 11 Section 13-501 through ~~13-516~~ 13-515, inclusive, to be under the new subtitle
 12 "Subtitle 5. Maryland Agricultural and Resource-Based Industry
 13 Development Corporation"
 14 Annotated Code of Maryland
 15 (2003 Replacement Volume)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article 41 - Governor - Executive and Administrative Departments**

19 **SUBTITLE 5. MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY**
 20 **DEVELOPMENT CORPORATION.**

21 13-501.

22 (A) IN THIS SUBTITLE THE FOLLOWING TERMS HAVE THE MEANINGS
 23 INDICATED.

24 (B) "AGRICULTURAL LOAN" MEANS A LOAN MADE BY A LENDING INSTITUTION
 25 TO ANY PERSON FOR THE PURPOSE OF FINANCING:

26 (1) LAND ACQUISITION OR IMPROVEMENT;

27 (2) AGRICULTURAL, AQUACULTURAL, EQUINE, HORTICULTURAL, OR
 28 SILVICULTURAL PRODUCTION;

29 (3) SOIL CONSERVATION;

30 (4) POND CONSTRUCTION;

31 (5) IRRIGATION;

32 (6) WATER WELL DRILLING;

33 (7) CONSTRUCTION, RENOVATION, OR EXPANSION OF BUILDINGS AND
 34 FACILITIES;

- 1 (8) PURCHASE OF FARM FIXTURES, LIVESTOCK, OR POULTRY;
2 (9) FISH, CRUSTACEANS, AND MOLLUSKS OF ANY KIND;
3 (10) SEEDS, PLANTS, AND TREES;
4 (11) FERTILIZERS;
5 (12) PESTICIDES;
6 (13) FEEDS;
7 (14) MACHINERY;
8 (15) EQUIPMENT; OR
9 (16) CONTAINERS OR SUPPLIES EMPLOYED IN THE PRODUCTION,
10 CULTIVATION, HARVESTING, PROCESSING, STORAGE, MARKETING, DISTRIBUTION,
11 OR EXPORT OF AGRICULTURAL PRODUCTS.

12 (C) "AGRICULTURE" MEANS THE COMMERCIAL PRODUCTION, STORAGE,
13 PROCESSING, MARKETING, DISTRIBUTION, OR EXPORT OF AN AGRONOMIC,
14 AQUACULTURAL, EQUINE, FLORICULTURAL, HORTICULTURAL, ORNAMENTAL,
15 SILVICULTURAL, OR VITICULTURAL CROP, INCLUDING:

- 16 (1) FARM PRODUCTS;
17 (2) LIVESTOCK AND LIVESTOCK PRODUCTS;
18 (3) POULTRY AND POULTRY PRODUCTS;
19 (4) MILK AND DAIRY PRODUCTS;
20 (5) TIMBER AND FOREST PRODUCTS;
21 (6) FRUIT AND HORTICULTURAL PRODUCTS; AND
22 (7) SEAFOOD AND AQUACULTURAL PRODUCTS.

23 (D) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE CORPORATION.

24 (E) "BOND" MEANS A BOND, NOTE, RENEWAL NOTE, REFUNDING BOND,
25 INTERIM CERTIFICATE, CERTIFICATE OF INDEBTEDNESS, DEBENTURE, WARRANT,
26 COMMERCIAL PAPER, OR OTHER OBLIGATION OR EVIDENCE OF INDEBTEDNESS
27 AUTHORIZED TO BE ISSUED BY THE CORPORATION UNDER THIS SUBTITLE.

28 (F) "CORPORATION" MEANS THE MARYLAND AGRICULTURAL AND
29 RESOURCE-BASED INDUSTRY DEVELOPMENT CORPORATION ESTABLISHED UNDER
30 THIS SUBTITLE.

1 (G) "LENDING INSTITUTION" MEANS A BANK, BANK OR TRUST COMPANY,
2 FEDERAL LAND BANK, FARM CREDIT ASSOCIATION, BANK FOR COOPERATIVES,
3 BUILDING AND LOAN ASSOCIATION, HOMESTEAD, INSURANCE COMPANY,
4 INVESTMENT BANKER, MORTGAGE BANKER OR COMPANY, PENSION OR RETIREMENT
5 FUND, SAVINGS BANK OR SAVINGS AND LOAN ASSOCIATION, SMALL BUSINESS
6 INVESTMENT COMPANY, CREDIT UNION, OR ANY OTHER FINANCIAL INSTITUTION
7 AUTHORIZED TO DO BUSINESS IN THE STATE OR OPERATING UNDER THE
8 SUPERVISION OF A FEDERAL UNIT.

9 (H) (1) "PERSON" MEANS AN INDIVIDUAL, RECEIVER, TRUSTEE, GUARDIAN,
10 PERSONAL REPRESENTATIVE, FIDUCIARY, REPRESENTATIVE OF ANY KIND,
11 PARTNERSHIP, FIRM, ASSOCIATION, CORPORATION, OR OTHER ENTITY.

12 (2) "PERSON" INCLUDES A UNIT OF A STATE OR OF THE FEDERAL
13 GOVERNMENT.

14 (I) (1) "PROJECT" MEANS A PROPERTY, THE ACQUISITION, CONSTRUCTION,
15 RECONSTRUCTION, EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT,
16 REHABILITATION, OR REMODELING OF WHICH THE BOARD, IN ITS SOLE AND
17 ABSOLUTE DISCRETION, DETERMINES BY RESOLUTION WILL ACCOMPLISH AT LEAST
18 ONE OF THE PURPOSES LISTED IN §§ 13-502 AND 13-503 OF THIS SUBTITLE, WHETHER
19 THE PROPERTY, OR ANY INTEREST IN THE PROPERTY:

20 (I) IS OR WILL BE USED OR OPERATED FOR PROFIT OR NOT FOR
21 PROFIT;

22 (II) IS OR WILL BE LOCATED ON A SINGLE SITE OR MULTIPLE SITES;
23 OR

24 (III) MAY BE FINANCED BY BONDS, THE INTEREST ON WHICH IS
25 EXEMPT FROM FEDERAL INCOME TAXATION UNDER FEDERAL LAW.

26 (2) "PROJECT" INCLUDES:

27 (I) LAND OR ANY INTEREST IN LAND;

28 (II) BUILDINGS, STRUCTURES, MACHINERY, EQUIPMENT,
29 FURNISHINGS, RAIL OR MOTOR VEHICLES, BARGES, AND BOATS;

30 (III) REAL OR PERSONAL PROPERTY, OR ANY COMBINATION OF
31 THEM, AND RIGHTS RELATED TO THE PROPERTY, APPURTENANCES, RIGHTS-OF-WAY,
32 FRANCHISES, EASEMENTS, AND OTHER INTERESTS IN LAND;

33 (IV) LAND AND FACILITIES FUNCTIONALLY RELATED AND
34 SUBORDINATE TO THE PROJECT; AND

35 (V) PATENTS, LICENSES, AND OTHER RIGHTS NECESSARY OR
36 USEFUL IN THE CONSTRUCTION OR OPERATION OF A PROJECT.

1 (J) (1) "REVENUE" MEANS THE INCOME, REVENUE, AND OTHER MONEY
2 RECEIVED BY THE CORPORATION FROM OR IN CONNECTION WITH A PROJECT.

3 (2) "REVENUE" INCLUDES GRANTS, RENTALS, RATES, FEES, CHARGES
4 FOR THE USE OF THE SERVICES FURNISHED OR AVAILABLE, AND ALL OTHER
5 INCOME INURING TO THE CORPORATION.

6 (3) THE CORPORATION MAY FURTHER DEFINE OR LIMIT THE TERM
7 "REVENUE" AS APPLIED TO A PARTICULAR PROJECT, FINANCING, OR OTHER MATTER.
8 13-502.

9 THE GENERAL ASSEMBLY FINDS THAT:

10 (1) THE STATE'S AGRICULTURAL AND RESOURCE-BASED INDUSTRIES
11 CONTINUE TO UNDERPIN THE LOCAL ECONOMIES OF RURAL COMMUNITIES, BUT
12 ARE INCREASINGLY UNDER THREAT FROM NATIONAL AND INTERNATIONAL MARKET
13 COMPETITION, URBAN ENCROACHMENT AND LAND DEVELOPMENT PRESSURE, AND
14 ENVIRONMENTAL AND REGULATORY INFLUENCES;

15 (2) THE CONSTRUCTION AND RENOVATION OF FOOD AND FIBER
16 PROCESSING AND SECONDARY MANUFACTURING FACILITIES OFTEN REQUIRE
17 CREDIT AND CAPITAL IN AMOUNTS THAT FAR EXCEED THE AVAILABLE RESOURCES
18 OF INDIVIDUAL SMALL PRODUCERS AND SMALL BUSINESSES;

19 (3) PRIVATE ENTERPRISE AND EXISTING FEDERAL AND STATE
20 GOVERNMENTAL PROGRAMS HAVE NOT ADEQUATELY ADDRESSED AGRICULTURAL
21 INDUSTRY SUPPORT OR DEVELOPMENTAL OPPORTUNITIES RELATING TO EMERGENT
22 VALUE-ADDED AGRICULTURAL PROCESSING ACTIVITIES, NEW OR ALTERNATIVE
23 MARKETS DEVELOPMENT, PRIMARY AND SECONDARY MANUFACTURING,
24 ASSISTANCE FOR BEGINNING FARMERS AND PRODUCERS, AND FINANCIAL SUPPORT
25 FOR ENVIRONMENTAL OR TECHNOLOGICAL ENHANCEMENTS;

26 (4) WHILE SOME TRADITIONAL AGRICULTURAL ENTERPRISES IN THE
27 STATE MAY HAVE ACCESS TO MARKETS, CAPITAL, AND CREDIT, OTHER EXISTING OR
28 EMERGING SEGMENTS OF THE AGRICULTURAL INDUSTRY LACK MARKET ACCESS,
29 CAPITAL, AND CREDIT AVAILABLE FOR INVESTMENT IN AGRICULTURE, FOR
30 DOMESTIC AND EXPORT PURPOSES, AND AT INTEREST RATES WITHIN THE
31 FINANCIAL MEANS OF PERSONS ENGAGED IN AGRICULTURAL PRODUCTION AND
32 AGRICULTURAL EXPORTS;

33 (5) IN CONJUNCTION WITH THE FINANCIAL AND OTHER CHALLENGES
34 ASSOCIATED WITH TRADITIONAL AGRICULTURAL INDUSTRY, THERE IS A NEED TO
35 PROVIDE ECONOMIC AND MARKET DEVELOPMENT ASSISTANCE TO THOSE
36 INDIVIDUALS WHO WISH TO START, CONVERT, OR DIVERSIFY THEIR AGRICULTURAL
37 OPERATIONS, OR TO MAKE IMPROVEMENTS ASSOCIATED WITH ENVIRONMENTAL
38 REGULATIONS AND POTENTIAL MARKET OPPORTUNITIES; AND

1 (6) IT IS A MATTER OF SIGNIFICANT RURAL ECONOMIC DEVELOPMENT
2 IMPORTANCE THAT THE MARYLAND AGRICULTURAL AND RESOURCE-BASED
3 INDUSTRY DEVELOPMENT CORPORATION BE CREATED AND AUTHORIZED TO:

4 (I) DEVELOP AGRICULTURAL INDUSTRIES AND MARKETS;

5 (II) SUPPORT APPROPRIATE COMMERCIALIZATION OF
6 AGRICULTURAL PROCESSES AND TECHNOLOGY; AND

7 (III) ALLEVIATE THE SHORTAGE OF NONTRADITIONAL CAPITAL AND
8 CREDIT AVAILABLE AT AFFORDABLE INTEREST RATES FOR:

9 1. INVESTMENT IN AGRICULTURE TO PROMOTE AND ASSIST
10 AGRICULTURE IN THE STATE;

11 2. THE SALE OF AGRICULTURAL PRODUCTS, COMMODITIES,
12 AND SERVICES; AND

13 3. CAPITAL INVESTMENT IN AGRICULTURAL PROJECTS BY
14 PROVIDING CAPITAL AND CREDIT WITHIN THE FINANCIAL MEANS OF PERSONS
15 ENGAGED IN AGRICULTURE IN THE STATE.

16 13-503.

17 (A) THERE IS A MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY
18 DEVELOPMENT CORPORATION.

19 (B) THE CORPORATION IS:

20 (1) A PUBLIC CORPORATION; AND

21 (2) AN INSTRUMENTALITY OF THE STATE.

22 (C) THE PURPOSE OF THE CORPORATION IS TO:

23 (1) ASSIST THE VIABILITY OF THE STATE'S DIVERSE AGRICULTURAL
24 INDUSTRY THROUGH NEW MARKETS DEVELOPMENT, CAPITAL AND CREDIT
25 ENHANCEMENTS, AND TECHNICAL AND OTHER ASSISTANCE TO SUPPORT, CREATE,
26 AND SUSTAIN AGRICULTURAL BUSINESSES THROUGHOUT THE STATE;

27 (2) PROVIDE FINANCING AND OTHER ASSISTANCE FOR PRODUCT
28 DEVELOPMENT, START-UP AND SCALE-UP OF MARYLAND FOOD- AND
29 FIBER-RELATED GROWING AND PROCESSING OPERATIONS, AND FOR
30 TECHNOLOGICAL ENHANCEMENTS THAT BENEFIT THE ENVIRONMENT AND WATER
31 QUALITY;

32 (3) SEEK PARTNERSHIPS AND LEVERAGING OPPORTUNITIES WITH
33 PUBLIC AND PRIVATE FOR-PROFIT AND NOT-FOR-PROFIT ENTITIES IN MAKING
34 CAPITAL AND CREDIT ASSISTANCE AVAILABLE TO INDIVIDUAL PRODUCERS,
35 PRODUCER COOPERATIVES, AND OTHER AGRIBUSINESS CONCERNS OPERATING IN
36 THE STATE;

1 (4) FACILITATE AND SUPPORT ACCESS TO HIGH QUALITY TECHNICAL
2 RESOURCES FOR AGRICULTURAL ENTREPRENEURS BY INCORPORATING EXISTING
3 SUPPORT INFRASTRUCTURE INCLUDING THE DEVELOPMENT OF STRATEGIC
4 PARTNERING OPPORTUNITIES AND BUSINESS INCUBATION;

5 (5) FOSTER CROSS-INDUSTRY COMMUNICATION AND ASSIST OTHER
6 ORGANIZATIONS IN TRANSFERRING TO THE PRIVATE SECTOR AND
7 COMMERCIALIZING THE RESULTS AND PRODUCTS OF SCIENTIFIC AGRICULTURAL
8 RESEARCH AND DEVELOPMENT CONDUCTED BY THE FEDERAL GOVERNMENT AND
9 COLLEGES AND UNIVERSITIES; AND

10 (6) WORK WITH PUBLIC AND PRIVATE LENDING AND GRANT-MAKING
11 INSTITUTIONS TO:

12 (I) MAKE LOW- AND NO-INTEREST LOANS AND LOAN
13 GUARANTEES AVAILABLE FOR AGRICULTURAL PRODUCT DEVELOPMENT, PRIMARY
14 PROCESSING, AND SECONDARY MANUFACTURING;

15 (II) PROVIDE CREDIT AND CAPITAL TO FIRST-TIME FARMERS FOR
16 LAND, EQUIPMENT, AND WORKING CAPITAL ACQUISITION; AND

17 (III) MAKE INCENTIVES AVAILABLE FOR ACTIVITIES RELATED TO
18 SMALL FARM OR SMALL LANDOWNER VIABILITY AND BEST MANAGEMENT
19 PRACTICES.

20 13-504.

21 (A) (1) THERE IS A BOARD OF DIRECTORS OF THE CORPORATION.

22 (2) THE BOARD MANAGES THE CORPORATION AND EXERCISES ALL OF
23 ITS CORPORATE POWERS.

24 (B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:

25 (1) AS EX OFFICIO MEMBERS:

26 (I) THE SECRETARY OF AGRICULTURE OR A DESIGNEE OF THE
27 SECRETARY WHO MUST BE A SENIOR-LEVEL DEPARTMENTAL OFFICIAL;

28 (II) THE SECRETARY OF NATURAL RESOURCES OR A DESIGNEE OF
29 THE SECRETARY WHO MUST BE A SENIOR-LEVEL DEPARTMENTAL OFFICIAL;

30 (III) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT
31 OR A DESIGNEE OF THE SECRETARY WHO MUST BE A SENIOR-LEVEL
32 DEPARTMENTAL OFFICIAL;

33 (IV) THE EXECUTIVE DIRECTOR OF THE MARYLAND FOOD CENTER
34 AUTHORITY;

35 (V) THE EXECUTIVE DIRECTOR OF THE RURAL MARYLAND
36 COUNCIL; AND

1 (VI) THE DIRECTOR OF THE MARYLAND COOPERATIVE EXTENSION
2 SERVICE; AND

3 (2) ELEVEN INDIVIDUALS APPOINTED BY THE GOVERNOR WITH THE
4 ADVICE AND CONSENT OF THE SENATE AS FOLLOWS:

5 (I) TWO AGRICULTURAL PRODUCERS REPRESENTING AT LEAST
6 TWO DIFFERENT FARM COMMODITY INDUSTRIES IN THE STATE;

7 (II) TWO REPRESENTATIVES FROM COMMERCIAL LENDING
8 INSTITUTIONS SERVING RURAL REGIONS IN THE STATE, ONE OF WHOM MUST
9 REPRESENT A MAJOR FARM CREDIT ORGANIZATION OPERATING IN THE STATE;

10 (III) ONE REPRESENTATIVE OF THE TIMBER AND FOREST
11 PRODUCTS INDUSTRY;

12 (IV) ONE REPRESENTATIVE OF THE AQUACULTURE INDUSTRY;

13 (V) ONE REPRESENTATIVE OF THE COMMERCIAL SEAFOOD
14 HARVESTING AND PROCESSING INDUSTRY;

15 (VI) ONE INDIVIDUAL WITH KNOWLEDGE AND EXPERIENCE IN THE
16 AREA OF OPERATING COMMERCIAL FOOD OR FIBER PROCESSING FACILITIES;

17 (VII) ONE INDIVIDUAL WITH KNOWLEDGE AND EXPERIENCE IN THE
18 AREA OF PUBLIC FINANCE;

19 (VIII) ONE INDIVIDUAL WITH KNOWLEDGE AND EXPERIENCE IN THE
20 AREA OF RURAL ECONOMIC DEVELOPMENT OR AGRICULTURAL MARKETING; AND

21 (IX) ONE INDIVIDUAL WITH KNOWLEDGE ABOUT THE
22 AGRICULTURAL, FORESTRY, OR SEAFOOD INDUSTRIES OR AGRITOURISM IN THE
23 STATE OR WITH SUBSTANTIAL AND RELEVANT ECONOMIC DEVELOPMENT
24 EXPERIENCE.

25 (C) (1) IN APPOINTING BOARD MEMBERS UNDER SUBSECTION (B)(2) OF THIS
26 SECTION, THE GOVERNOR SHALL CONSIDER ALL OF THE GEOGRAPHIC REGIONS OF
27 THE STATE.

28 (2) A BOARD MEMBER MUST BE A RESIDENT OF THE STATE.

29 (3) A BOARD MEMBER:

30 (I) SERVES WITHOUT COMPENSATION; BUT

31 (II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
32 STANDARD STATE TRAVEL REGULATIONS AS PROVIDED IN THE STATE BUDGET.

33 (4) THE GOVERNOR MAY REMOVE A BOARD MEMBER FOR
34 INCOMPETENCE, MISCONDUCT, OR FAILURE TO PERFORM THE DUTIES OF THE
35 POSITION.

1 (D) (1) THE TERM OF A BOARD MEMBER APPOINTED UNDER SUBSECTION
2 (B)(2) OF THIS SECTION IS 4 YEARS.

3 (2) THE TERMS OF THE APPOINTED MEMBERS ARE STAGGERED AS
4 REQUIRED BY THE TERMS PROVIDED FOR THE MEMBERS ON JULY 1, 2004.

5 (3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES TO
6 SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

7 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
8 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
9 QUALIFIES.

10 (E) THE BOARD SHALL ELECT A CHAIR FROM AMONG ITS MEMBERS.

11 (F) THE BOARD MAY ACT WITH AN AFFIRMATIVE VOTE OF NINE MEMBERS.

12 13-505.

13 THE CORPORATION SHALL EMPLOY AN EXECUTIVE DIRECTOR WITH
14 EXPERIENCE AND QUALIFICATIONS RELEVANT TO THE ACTIVITIES AND THE
15 PURPOSES OF THE CORPORATION.

16 13-506.

17 THE ATTORNEY GENERAL SHALL SERVE AS LEGAL ADVISOR TO THE
18 CORPORATION.

19 13-507.

20 THE CORPORATION MAY:

21 (1) ADOPT BYLAWS;

22 (2) ADOPT A SEAL;

23 (3) MAINTAIN OFFICES AT A PLACE IN THE STATE THAT THE
24 CORPORATION DESIGNATES;

25 (4) APPLY FOR AND ACCEPT LOANS, GRANTS, OR ASSISTANCE IN ANY
26 FORM FROM FEDERAL, STATE, OR LOCAL GOVERNMENTS, COLLEGES OR
27 UNIVERSITIES, OR PRIVATE SOURCES;

28 (5) MAKE, EXECUTE, AND ENTER INTO ANY CONTRACTS OR LEGAL
29 INSTRUMENTS;

30 (6) SUE OR BE SUED;

31 (7) ACQUIRE, CONSTRUCT, DEVELOP, MANAGE, MARKET,
32 MANUFACTURE, LICENSE, SUBLICENSE, RECONSTRUCT, REHABILITATE, IMPROVE,

1 MAINTAIN, EQUIP, LEASE AS A LESSOR OR AS A LESSEE, REPAIR, AND OPERATE ANY
2 PROJECT IN THE STATE TO CARRY OUT THE PURPOSES OF THE CORPORATION;

3 (8) ACQUIRE, PURCHASE, HOLD, LEASE AS A LESSEE, AND USE A
4 FRANCHISE, PATENT, OR LICENSE AND REAL, PERSONAL, MIXED, OR TANGIBLE OR
5 INTANGIBLE PROPERTY, OR ANY INTEREST IN PROPERTY;

6 (9) SELL, LEASE AS A LESSOR, TRANSFER, LICENSE, SUBLICENSE,
7 ASSIGN, AND DISPOSE OF ANY PROPERTY OR INTEREST IN PROPERTY, NECESSARY OR
8 CONVENIENT TO CARRY OUT ITS PURPOSES;

9 (10) ACQUIRE, DIRECTLY OR INDIRECTLY, BY PURCHASE, GIFT, OR
10 DEVISE, LAND, REAL OR PERSONAL PROPERTY, RIGHTS, RIGHTS-OF-WAY,
11 FRANCHISES, EASEMENTS, AND OTHER INTERESTS IN LAND, INCLUDING LAND
12 LYING UNDER WATER AND RIPARIAN RIGHTS, LOCATED IN OR OUTSIDE THE STATE
13 AS NECESSARY OR CONVENIENT TO CONSTRUCT, IMPROVE, REHABILITATE, OR
14 OPERATE A PROJECT, ON TERMS AND AT PRICES THE CORPORATION CONSIDERS
15 REASONABLE;

16 (11) FIX, REVISE, AND COLLECT RATES, RENTALS, FEES, ROYALTIES, AND
17 CHARGES FOR THE USE OF OR FOR SERVICES AND RESOURCES PROVIDED OR MADE
18 AVAILABLE BY THE CORPORATION;

19 (12) MAKE GRANTS TO OR PROVIDE EQUITY INVESTMENT FINANCING
20 FOR AGRICULTURAL AND RESOURCE-BASED BUSINESSES;

21 (13) ENGAGE ANY NECESSARY ACCOUNTANTS, ENGINEERS, FINANCIAL
22 ADVISORS, AND OTHER CONSULTANTS;

23 (14) WITH THE APPROVAL OF THE ATTORNEY GENERAL, ENGAGE ANY
24 NECESSARY LAWYERS;

25 (15) CREATE, OWN, CONTROL, OR BE A MEMBER OF, A CORPORATION,
26 LIMITED LIABILITY COMPANY, PARTNERSHIP, OR OTHER ENTITY, WHETHER
27 OPERATED FOR PROFIT OR NOT FOR PROFIT;

28 (16) ENTER INTO A PROJECT WITH A MANUFACTURER TO CARRY OUT THE
29 PURPOSES OF THE CORPORATION;

30 (17) EXERCISE A POWER USUALLY POSSESSED BY A PRIVATE
31 CORPORATION IN PERFORMING SIMILAR FUNCTIONS UNLESS TO DO SO WOULD
32 CONFLICT WITH THE LAWS OF THE STATE; AND

33 (18) DO ANYTHING NECESSARY OR CONVENIENT TO CARRY OUT THE
34 POWERS GRANTED BY THIS SUBTITLE.

1 13-508.

2 THE CORPORATION MAY:

3 (1) SUBJECT TO THE RIGHTS OF HOLDERS OF BONDS OF THE
4 CORPORATION:

5 (I) RENEGOTIATE, REFINANCE, OR FORECLOSE ON ANY
6 MORTGAGE, SECURITY INTEREST, OR LIEN;

7 (II) COMMENCE ANY ACTION TO PROTECT OR ENFORCE ANY RIGHT
8 OR BENEFIT CONFERRED ON THE CORPORATION BY ANY LAW, MORTGAGE, SECURITY
9 INTEREST, LIEN, CONTRACT, OR OTHER AGREEMENT; AND

10 (III) BID FOR AND PURCHASE PROPERTY AT ANY FORECLOSURE OR
11 AT ANY OTHER SALE OR OTHERWISE ACQUIRE OR TAKE POSSESSION OF ANY
12 PROPERTY, IN WHICH CASE THE CORPORATION MAY COMPLETE, ADMINISTER, PAY
13 THE PRINCIPAL OF ANY INTEREST ON ANY OBLIGATION INCURRED IN CONNECTION
14 WITH THE PROPERTY, DISPOSE OF AND OTHERWISE DEAL WITH THE PROPERTY IN
15 ANY MANNER NECESSARY OR DESIRABLE TO PROTECT THE INTEREST OF THE
16 CORPORATION OR THE HOLDERS OF ITS BONDS IN THE PROPERTY;

17 (2) PROCURE OR PROVIDE FOR THE PROCUREMENT OF INSURANCE OR
18 REINSURANCE AGAINST ANY LOSS IN CONNECTION WITH ITS PROPERTY OR
19 OPERATIONS, INCLUDING INSURANCE, REINSURANCE, OR OTHER GUARANTEES
20 FROM ANY FEDERAL OR STATE GOVERNMENTAL UNIT OR PRIVATE INSURANCE
21 COMPANY FOR THE PAYMENT OF ANY BONDS ISSUED BY THE CORPORATION, OR
22 BONDS, NOTES OR ANY OTHER OBLIGATIONS OR EVIDENCES OF INDEBTEDNESS
23 ISSUED OR MADE BY ANY LENDING INSTITUTION OR OTHER ENTITY OR PERSON, OR
24 INSURANCE OR REINSURANCE AGAINST LOSS WITH RESPECT TO AGRICULTURAL
25 LOANS, MORTGAGES OR MORTGAGE LOANS, OR ANY OTHER TYPE OF LOANS,
26 INCLUDING THE POWER TO PAY PREMIUMS ON THE INSURANCE OR REINSURANCE;

27 (3) INSURE, CO-INSURE, REINSURE, OR CAUSE TO BE INSURED,
28 CO-INSURED, OR REINSURED, AGRICULTURAL LOANS, MORTGAGE LOANS OR
29 MORTGAGES, OR ANY OTHER TYPE OF LOANS AND PAY OR RECEIVE PREMIUMS ON
30 THE INSURANCE, CO-INSURANCE, OR REINSURANCE, AND ESTABLISH RESERVES
31 FOR LOSSES, AND PARTICIPATE IN THE INSURANCE, CO-INSURANCE, OR
32 REINSURANCE OF AGRICULTURAL LOANS, MORTGAGE LOANS OR MORTGAGES, OR
33 ANY OTHER TYPE OF LOANS WITH THE FEDERAL OR STATE GOVERNMENT OR ANY
34 PRIVATE INSURANCE COMPANY;

35 (4) UNDERTAKE AND CARRY OUT OR AUTHORIZE THE COMPLETION OF
36 STUDIES AND ANALYSES OF AGRICULTURAL CONDITIONS AND NEEDS IN THE STATE
37 AND NEEDS RELATING TO THE PROMOTION OF AGRICULTURAL INDUSTRIES AND
38 WAYS OF MEETING THOSE NEEDS, AND MAKE THE STUDIES AND ANALYSES
39 AVAILABLE TO THE PUBLIC AND TO THE AGRICULTURAL INDUSTRIES, AND TO
40 ENGAGE IN RESEARCH OR DISSEMINATE INFORMATION ON AGRICULTURE AND
41 AGRICULTURAL MARKETING AND PROMOTION;

1 (5) ACCEPT FEDERAL, STATE, OR PRIVATE FINANCIAL OR TECHNICAL
2 ASSISTANCE AND COMPLY WITH ANY CONDITIONS FOR THAT ASSISTANCE THAT ARE
3 NOT IN CONFLICT WITH THE INTENT OF THIS SUBTITLE;

4 (6) ESTABLISH AND COLLECT FEES AND CHARGES IN CONNECTION
5 WITH ITS LOANS, DEPOSITS, INSURANCE COMMITMENTS, AND SERVICES, INCLUDING
6 REIMBURSEMENT OF COSTS OF ISSUING BONDS, ORIGINATION AND SERVICING
7 FEES, AND INSURANCE PREMIUMS;

8 (7) MAKE LOANS TO OR DEPOSITS WITH LENDING INSTITUTIONS AND
9 PURCHASE OR SELL AGRICULTURAL LOANS;

10 (8) ACQUIRE OR CONTRACT TO ACQUIRE FROM ANY PERSON, BY GRANT,
11 PURCHASE, OR OTHERWISE, MOVABLE OR IMMOVABLE PROPERTY OR ANY INTEREST
12 IN PROPERTY;

13 (9) OWN, HOLD, CLEAR, IMPROVE, LEASE, CONSTRUCT, OR
14 REHABILITATE, AND SELL, INVEST, ASSIGN, EXCHANGE, TRANSFER, CONVEY, LEASE,
15 MORTGAGE, OR OTHERWISE DISPOSE OF OR ENCUMBER PROPERTY, SUBJECT TO THE
16 RIGHTS OF HOLDERS OF THE BONDS OF THE CORPORATION, AT PUBLIC OR PRIVATE
17 SALE, WITH OR WITHOUT PUBLIC BIDDING;

18 (10) BORROW MONEY, ISSUE BONDS, AND PROVIDE FOR THE RIGHTS OF
19 THE LENDERS OR HOLDER THEREOF AND PURCHASE, DISCOUNT, SELL, NEGOTIATE
20 AND GUARANTEE, INSURE, CO-INSURE AND REINSURE NOTES, DRAFTS, CHECKS,
21 BILLS OF EXCHANGE, ACCEPTANCES, BANKERS' ACCEPTANCES, CABLE TRANSFERS,
22 LETTERS OF CREDIT, AND OTHER EVIDENCE OF INDEBTEDNESS;

23 (11) SUBJECT TO THE RIGHTS OF HOLDERS OF THE BONDS OF THE
24 CORPORATION, CONSENT TO ANY MODIFICATION WITH RESPECT TO THE RATE OF
25 INTEREST, TIME, PAYMENT OF ANY INSTALLMENT OF PRINCIPAL OR INTEREST,
26 SECURITY, OR ANY OTHER TERM OR CONDITION OF ANY LOAN, CONTRACT,
27 MORTGAGE, MORTGAGE LOAN, OR COMMITMENT OR AGREEMENT OF ANY KIND TO
28 WHICH THE CORPORATION IS A PARTY OR BENEFICIARY; AND

29 (12) ISSUE REVENUE BONDS UNDER § 13-510 OF THIS SUBTITLE.

30 13-509.

31 (A) (1) THE CORPORATION MAY PURCHASE OR CONTRACT TO PURCHASE
32 AND SELL OR CONTRACT TO SELL AGRICULTURAL LOANS MADE BY LENDING
33 INSTITUTIONS, AT THE PRICES AND ON THE TERMS AND CONDITIONS THAT IT
34 DETERMINES.

35 (2) A LENDING INSTITUTION MAY PURCHASE AND SELL AGRICULTURAL
36 LOANS TO THE CORPORATION IN ACCORDANCE WITH THE PROVISIONS OF THIS
37 SECTION.

1 (B) (1) THE CORPORATION MAY MAKE, OR CONTRACT TO MAKE, LOANS TO
2 AND DEPOSITS WITH LENDING INSTITUTIONS AT INTEREST RATES, TERMS, AND
3 CONDITIONS THAT IT DETERMINES.

4 (2) A LENDING INSTITUTION MAY BORROW FUNDS AND ACCEPT
5 DEPOSITS FROM THE CORPORATION IN ACCORDANCE WITH THIS SUBTITLE AND THE
6 BYLAWS OF THE CORPORATION.

7 (3) THE CORPORATION SHALL REQUIRE THAT ALL PROCEEDS OF ITS
8 LOANS TO OR DEPOSITS WITH LENDING INSTITUTIONS, OR AN EQUIVALENT
9 AMOUNT, SHALL BE USED BY THE LENDING INSTITUTIONS TO MAKE AGRICULTURAL
10 LOANS, SUBJECT TO TERMS AND CONDITIONS THAT THE CORPORATION MAY
11 PRESCRIBE.

12 (C) THE CORPORATION MAY INSURE AND REINSURE AGRICULTURAL LOANS
13 MADE BY LENDING INSTITUTIONS, SUBJECT TO THE TERMS, CONDITIONS,
14 LIMITATIONS, COLLATERAL AND SECURITY PROVISIONS, AND RESERVE
15 REQUIREMENTS DETERMINED BY THE CORPORATION IN ACCORDANCE WITH THE
16 BYLAWS OF THE CORPORATION.

17 (D) UNLESS OTHERWISE DETERMINED BY THE CORPORATION,
18 AGRICULTURAL LOANS SHALL BE INSURED TO THE AMOUNT OF 100% OF THE UNPAID
19 PRINCIPAL AND INTEREST ON EACH LOAN.

20 (E) AN INSURED AGRICULTURAL LOAN IS IN DEFAULT WHEN THE HOLDER OF
21 THE LOAN APPLIES TO THE CORPORATION FOR PAYMENT OF INSURANCE ON THE
22 LOAN STATING THAT THE LOAN IS IN DEFAULT IN ACCORDANCE WITH THE TERMS
23 OF ANY AGREEMENT WITH RESPECT TO THE INSURANCE EXECUTED IN
24 ACCORDANCE WITH THIS SECTION.

25 (F) THE CORPORATION MAY ENTER INTO AGREEMENTS WITH ANY PERSON,
26 LENDING INSTITUTION, OR HOLDER OF AN INSURED AGRICULTURAL LOAN ON
27 TERMS THAT MAY BE AGREED ON BETWEEN THE CORPORATION AND THE PERSON,
28 LENDING INSTITUTION, OR HOLDER, TO:

29 (1) PROVIDE FOR THE ADMINISTRATION, APPLICATIONS, AND
30 REPAYMENT OF THE LOAN; AND

31 (2) ESTABLISH THE CONDITIONS FOR PAYMENT OF INSURANCE BY THE
32 CORPORATION, AND THE SERVICING, SUIT ON, OR FORECLOSURE OF THE LOAN.

33 (G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE
34 AGGREGATE VALUE OF ALL AGRICULTURAL LOANS INSURED BY THE CORPORATION
35 AND OUTSTANDING AT ANY ONE TIME MAY NOT EXCEED 20 TIMES THE TOTAL VALUE
36 OF FUNDS, INVESTMENTS, PROPERTIES, AND OTHER ASSETS OF THE CORPORATION.

37 (2) THE AGGREGATE VALUE OF AGRICULTURAL LOANS INSURED AND
38 OUTSTANDING MAY BE FURTHER EXPANDED BY USE OF FEDERAL, STATE, OR
39 PRIVATE LOAN INSURANCE, REINSURANCE, OR GUARANTEES OF WHICH THE
40 CORPORATION IS OR SHALL BECOME THE BENEFICIARY.

1 13-510.

2 (A) THE CORPORATION MAY PROVIDE BY RESOLUTION FOR THE ISSUANCE AT
3 ONE TIME, OR IN SERIES FROM TIME TO TIME, OF REVENUE BONDS OF THE
4 CORPORATION TO FINANCE OR REFINANCE ALL OR A PART OF THE COSTS OF A
5 PROJECT, AND FOR OTHER PURPOSES OF THE CORPORATION STATED IN THIS
6 SUBTITLE.

7 (B) (1) THE BONDS SHALL BE DATED, SHALL BEAR INTEREST AT A RATE OR
8 RATES, AND SHALL MATURE AT A TIME OR TIMES NOT EXCEEDING 40 YEARS FROM
9 THE DATE OR DATES OF THEIR RESPECTIVE ISSUES, AS THE CORPORATION MAY
10 DETERMINE, AND MAY BE SOLD AT THE PRICE OR PRICES AND UNDER THE TERMS
11 AND CONDITIONS FIXED BY THE CORPORATION BEFORE ISSUING THE BONDS.

12 (2) THE PROCEEDS OF ANY BONDS MAY BE PLACED IN ESCROW
13 PENDING APPLICATION OF THE PROCEEDS TO THE PURPOSES FOR WHICH THE
14 BONDS ARE ISSUED.

15 (C) (1) (I) THE BONDS MAY NOT BE DEEMED TO CONSTITUTE A DEBT,
16 LIABILITY, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY
17 POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE CORPORATION.

18 (II) THE BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS
19 PROVIDED IN THIS SECTION.

20 (2) ALL BONDS OF THE CORPORATION SHALL CONTAIN ON THEIR FACE
21 A STATEMENT TO THE EFFECT THAT:

22 (I) NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE
23 STATE OTHER THAN THE CORPORATION SHALL BE OBLIGATED TO PAY THE BOND OR
24 THE INTEREST ON THE BOND EXCEPT FROM REVENUES PLEDGED TO THE BOND;
25 AND

26 (II) NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING
27 POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED
28 TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS.

29 (3) (I) THE ISSUANCE OF A BOND UNDER THIS SUBTITLE IS NOT
30 DIRECTLY OR INDIRECTLY OR CONTINGENTLY AN OBLIGATION, MORAL OR OTHER,
31 OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE TO LEVY OR PLEDGE
32 ANY FORM OF TAXATION FOR THE BOND OR TO MAKE ANY APPROPRIATION FOR
33 PAYMENT OF THE BOND.

34 (II) NOTHING IN THIS SECTION MAY PREVENT THE CORPORATION
35 FROM PLEDGING THE FULL FAITH AND CREDIT OF THE CORPORATION TO THE
36 PAYMENT OF A BOND AUTHORIZED UNDER THIS SUBTITLE.

37 (III) THIS SECTION DOES NOT LIMIT THE ABILITY OF THE STATE OR
38 A SUBDIVISION OF THE STATE TO SET, IMPOSE, OR COLLECT AN ASSESSMENT, RATE,
39 FEE, OR CHARGE TO PAY TO THE CORPORATION THE COST OF A PROJECT, INCLUDING

1 THE PRINCIPAL OF AND INTEREST ON A BOND, UNDER AN AGREEMENT BETWEEN
2 THE CORPORATION AND THE STATE OR POLITICAL SUBDIVISION.

3 (D) THE CORPORATION SHALL DETERMINE:

4 (1) THE FORM OF THE BONDS;

5 (2) THE MANNER OF EXECUTING THE BONDS;

6 (3) THE DENOMINATION OR DENOMINATIONS OF THE BONDS; AND

7 (4) THE PLACE OR PLACES OF PAYMENT OF PRINCIPAL AND INTEREST,
8 WHICH MAY BE A BANK OR TRUST COMPANY IN OR OUTSIDE THE STATE.

9 (E) (1) THE BONDS SHALL BE EXECUTED IN THE MANNER DETERMINED BY
10 THE CORPORATION.

11 (2) THE BONDS MAY BE EXECUTED BY FACSIMILE SIGNATURE.

12 (3) IF ANY OFFICER WHOSE SIGNATURE APPEARS ON A BOND CEASES
13 TO HOLD THAT OFFICE BEFORE THE BONDS ARE DELIVERED, THE SIGNATURE OF
14 THE OFFICER REMAINS VALID AND SUFFICIENT FOR ALL PURPOSES, AS IF THE
15 OFFICER HAD REMAINED IN OFFICE UNTIL DELIVERY.

16 (F) (1) ALL BONDS ISSUED UNDER THIS SECTION ARE NEGOTIABLE
17 INSTRUMENTS UNDER THE LAWS OF THE STATE.

18 (2) PROVISION MAY BE MADE FOR THE REGISTRATION OF BONDS.

19 (G) (1) THE BONDS SHALL BE SOLD BY THE CORPORATION, AT PUBLIC OR
20 PRIVATE SALE, IN A MANNER AND FOR A PRICE AS THE CORPORATION MAY
21 DETERMINE.

22 (2) BONDS AUTHORIZED UNDER THIS SECTION ARE EXEMPT FROM §§
23 8-206 AND 8-208 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

24 (H) (1) (I) THE CORPORATION MAY PROVIDE FOR THE ISSUANCE OF ITS
25 BONDS TO REFUNDING ANY OUTSTANDING BONDS, INCLUDING THE PAYMENT OF
26 ANY REDEMPTION PREMIUM AND ANY INTEREST ACCRUED OR ACCRUING TO A
27 LATER DATE OF REDEMPTION, PURCHASE, OR MATURITY OF THE BONDS, AND, IF THE
28 CORPORATION DETERMINES IT ADVISABLE, FOR THE ADDITIONAL PURPOSE OF
29 PAYING ALL OR ANY PART OF THE COST OF A PROJECT.

30 (II) REFUNDING BONDS MAY BE ISSUED BY THE CORPORATION FOR
31 ANY CORPORATE PURPOSE, INCLUDING THE PUBLIC PURPOSES OF REALIZING
32 SAVINGS IN THE EFFECTIVE COSTS OF DEBT SERVICE, DIRECTLY OR THROUGH A
33 DEBT RESTRUCTURING, OR ALLEVIATING AN IMPENDING OR ACTUAL DEFAULT, OR
34 RELIEVING THE CORPORATION OF CONTRACTUAL AGREEMENTS WHICH, IN THE
35 OPINION OF THE CORPORATION, HAVE BECOME UNREASONABLY ONEROUS,
36 IMPRACTICABLE, OR IMPOSSIBLE TO PERFORM.

1 (III) REFUNDING BONDS IN ONE OR MORE SERIES MAY BE ISSUED
2 IN AN AMOUNT IN EXCESS OF THAT OF THE BONDS TO BE REFUNDED.

3 (IV) REFUNDING BONDS MAY BE PAYABLE FROM:

- 4 1. ESCROWED BOND PROCEEDS;
- 5 2. INTEREST, INCOME, AND PROFITS, IF ANY, ON
6 INVESTMENTS; AND
- 7 3. ANY OTHER SOURCE.

8 (V) THESE SOURCES MAY BE IN ADDITION TO OTHER LAWFUL USES
9 AND SHALL CONSTITUTE REVENUES OF A PROJECT UNDER THIS SUBTITLE.

10 (2) THE PROCEEDS OF BONDS ISSUED FOR THE PURPOSE OF
11 REFUNDING OUTSTANDING BONDS MAY, IN THE DISCRETION OF THE CORPORATION,
12 BE APPLIED TO THE PURCHASE OR RETIREMENT AT MATURITY OR REDEMPTION OF
13 THE OUTSTANDING BONDS ON ANY SUBSEQUENT REDEMPTION DATE, AND MAY,
14 PENDING THAT APPLICATION, BE PLACED IN ESCROW TO BE APPLIED TO THE
15 PURCHASE OR RETIREMENT AT MATURITY OR REDEMPTION ON A DATE
16 DETERMINED BY THE CORPORATION.

17 (3) (I) ANY ESCROWED BOND PROCEEDS, PENDING APPLICATION,
18 MAY BE INVESTED AND REINVESTED IN INVESTMENTS AND OTHER OBLIGATIONS
19 MATURING AT A TIME OR TIMES APPROPRIATE TO ASSURE THE PROMPT PAYMENT,
20 AS TO PRINCIPAL, INTEREST, AND REDEMPTION PREMIUM, IF ANY, OF THE
21 OUTSTANDING BONDS TO BE REFUNDED.

22 (II) THE INVESTMENT OF THE BOND PROCEEDS SHALL BE:

- 23 1. DETERMINED BY THE CORPORATION; OR
- 24 2. IF THE PROCEEDS OF THE BONDS ARE BEING LOANED BY
25 THE CORPORATION TO A PERSON UNDER SUBSECTION (K) OF THIS SECTION,
26 DETERMINED BY THE PERSON.

27 (III) THE INTEREST, INCOME, AND PROFITS, IF ANY, EARNED OR
28 REALIZED ON THE INVESTMENTS OR OTHER OBLIGATIONS MAY ALSO BE APPLIED TO
29 THE PAYMENT OF THE OUTSTANDING BONDS TO BE REFUNDED.

30 (IV) AFTER THE TERMS OF THE ESCROW HAVE BEEN FULLY
31 SATISFIED AND CARRIED OUT, ANY BALANCE OF THE PROCEEDS AND INTEREST,
32 INCOME, AND PROFITS, IF ANY, EARNED OR REALIZED ON THE INVESTMENTS OR
33 OTHER OBLIGATIONS MAY BE RETURNED TO THE CORPORATION OR THE PERSON
34 BEING LOANED THE PROCEEDS OF THE BONDS FOR USE IN ANY LAWFUL MANNER.

35 (I) (1) THE PORTION OF THE PROCEEDS OF ANY BONDS ISSUED FOR THE
36 PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF A PROJECT MAY BE
37 INVESTED AND REINVESTED IN INVESTMENTS AND ANY OTHER OBLIGATIONS

1 MATURING NOT LATER THAN THE TIME OR TIMES WHEN THE PROCEEDS WILL BE
2 NEEDED FOR THE PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF THE
3 PROJECT.

4 (2) THE INVESTMENT OF BOND PROCEEDS SHALL BE DETERMINED:

5 (I) BY THE CORPORATION; OR

6 (II) IF THE CORPORATION IS LOANING THE PROCEEDS TO A
7 PERSON UNDER SUBSECTION (K) OF THIS SECTION, BY THE PERSON.

8 (3) THE INTEREST, INCOME, AND PROFITS, IF ANY, EARNED OR
9 REALIZED ON THE INVESTMENTS OR OTHER OBLIGATIONS MAY BE APPLIED TO THE
10 PAYMENT OF ALL OR ANY PART OF THE COST OR MAY BE USED BY THE
11 CORPORATION OR THE PERSON BEING LOANED THE PROCEEDS OF THE BONDS IN
12 ANY LAWFUL MANNER.

13 (J) (1) THE CORPORATION MAY PLEDGE OR ASSIGN ALL OR ANY PORTION
14 OF ITS REVENUES, ITS RIGHTS TO RECEIVE THEM, OR MONEYS AND SECURITIES IN
15 THE FUNDS AND ACCOUNTS ESTABLISHED TO SECURE ITS BONDS AND ANY LIEN OR
16 SECURITY INTEREST GRANTED OR ASSIGNMENT MADE BY THE CORPORATION.

17 (2) ANY PLEDGE OR ASSIGNMENT SHALL BE:

18 (I) VALID AND BINDING AGAINST ANY PERSON HAVING A CLAIM OF
19 ANY KIND AGAINST THE CORPORATION, IN CONTRACT, TORT, OR OTHERWISE,
20 REGARDLESS OF WHETHER THE PERSON HAS NOTICE; AND

21 (II) PRIOR TO THE CLAIM.

22 (3) NO RESOLUTION, TRUST INDENTURE, ASSIGNMENT, FINANCING
23 AGREEMENT, OR OTHER INSTRUMENT CREATING A LIEN ON, SECURITY INTEREST IN,
24 OR ASSIGNMENT OF ANY REVENUES, ITS RIGHTS TO RECEIVE REVENUES OR MONEYS
25 AND SECURITIES IN THE FUNDS AND ACCOUNTS PLEDGED TO BONDS OF THE
26 CORPORATION NEED BE FILED OR RECORDED EXCEPT IN THE RECORDS OF THE
27 CORPORATION.

28 (K) (1) THE CORPORATION MAY:

29 (I) LEND OR OTHERWISE MAKE AVAILABLE THE PROCEEDS OF ITS
30 BONDS TO ANY PERSON IN ORDER TO FINANCE OR REFINANCE THE COSTS OF ANY
31 PROJECT; AND

32 (II) ENTER INTO FINANCING AGREEMENTS, MORTGAGES, AND
33 OTHER INSTRUMENTS THAT THE CORPORATION DETERMINES TO BE NECESSARY OR
34 DESIRABLE TO EVIDENCE OR SECURE THE LOAN.

35 (2) IF ANY PROJECT IS LEASED TO ANY PERSON, THE LEASE MAY
36 PROVIDE THAT THE LESSEE OR ANOTHER PERSON MAY OR SHALL PURCHASE OR

1 OTHERWISE ACQUIRE THE PROJECT FOR CONSIDERATION, WHICH MAY BE NOMINAL,
2 AS THE CORPORATION MAY ESTABLISH:

3 (I) ON THE PAYMENT OF THE BONDS THAT FINANCED OR
4 REFINANCED THE COST OF THE PROJECT AND INTEREST ON THE BONDS; OR

5 (II) ON PROVISION FOR PAYMENT THAT IS SATISFACTORY TO THE
6 CORPORATION.

7 (L) (1) (I) AT THE DISCRETION OF THE CORPORATION, THE BONDS MAY
8 BE SECURED BY A TRUST INDENTURE BY AND BETWEEN THE CORPORATION AND
9 CORPORATE TRUSTEE, WHICH MAY BE ANY TRUST COMPANY OR BANK THAT HAS
10 THE POWERS OF A TRUST COMPANY IN OR OUTSIDE THE STATE.

11 (II) EITHER THE RESOLUTION PROVIDING FOR THE ISSUANCE OF
12 BONDS OR THE TRUST INDENTURE MAY CONTAIN PROVISIONS FOR PROTECTING
13 AND ENFORCING THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, INCLUDING
14 COVENANTS STATING THE DUTIES OF THE CORPORATION IN RELATION TO THE
15 CUSTODY, SAFEGUARDING, AND APPLICATION OF ALL MONEYS.

16 (III) A CORPORATION OR TRUST COMPANY INCORPORATED UNDER
17 THE LAWS OF THE STATE MAY:

18 1. ACT AS DEPOSITORY OF THE PROCEEDS OF THE BONDS OR
19 REVENUES; AND

20 2. FURNISH ANY INDEMNITY BONDS OR PLEDGE ANY
21 SECURITIES THAT THE CORPORATION REQUIRES.

22 (2) (I) THE RESOLUTION OR TRUST INDENTURE MAY SET FORTH THE
23 RIGHTS AND REMEDIES OF THE BONDHOLDERS AND OF ANY TRUSTEE, AND MAY
24 RESTRICT THE INDIVIDUAL RIGHT OF ACTION OF BONDHOLDERS.

25 (II) THE CORPORATION MAY PROVIDE BY RESOLUTION OR BY THE
26 TRUST INDENTURE FOR:

27 1. THE PAYMENT OF THE PROCEEDS OF THE SALE OF THE
28 BONDS AND THE REVENUES OF THE CORPORATION TO AN OFFICER, BOARD, OR
29 DEPOSITORY THAT THE CORPORATION DETERMINES FOR THEIR CUSTODY; AND

30 2. THE METHOD OF DISBURSEMENT, WITH SAFEGUARDS
31 AND RESTRICTIONS THAT THE CORPORATION DETERMINES.

32 (III) ALL EXPENSES INCURRED IN CARRYING OUT ANY TRUST
33 INDENTURE MAY BE TREATED AS A PART OF THE COST OF OPERATION OF THE
34 CORPORATION.

1 ~~13-511.~~

2 (A) ~~THE STATE TREASURER MAY ADVANCE TO THE CORPORATION AN~~
3 ~~AMOUNT NOT EXCEEDING \$250,000 FOR THE INITIAL EXPENSES OF THE~~
4 ~~CORPORATION.~~

5 (B) ~~THE CORPORATION SHALL REPAY THE ADVANCE OUT OF THE FIRST~~
6 ~~MONEYS AVAILABLE TO THE CORPORATION FROM ITS REVENUES.~~

7 (C) ~~THE REPAYMENT SHALL BE MADE AT A RATE OF INTEREST THAT IS~~
8 ~~CONSISTENT WITH SIMILAR STATE INVESTMENTS.~~

9 ~~13-512.~~ 13-511.

10 THE BOOKS AND RECORDS OF THE CORPORATION ARE SUBJECT TO AUDIT:

11 (1) BY THE STATE AT ITS DISCRETION; AND

12 (2) EACH YEAR BY AN INDEPENDENT AUDITOR APPROVED BY THE
13 OFFICE OF LEGISLATIVE AUDITS.

14 ~~13-513.~~ 13-512.

15 (A) WITHIN 90 DAYS AFTER THE START OF EACH FISCAL YEAR, THE
16 CORPORATION SHALL REPORT ON ITS STATUS TO THE GOVERNOR, THE MARYLAND
17 AGRICULTURAL COMMISSION, THE MARYLAND ECONOMIC DEVELOPMENT
18 COMMISSION, AND SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO
19 THE GENERAL ASSEMBLY.

20 (B) THE REPORT SHALL STATE THE COMPLETE OPERATING AND FINANCIAL
21 STATEMENT COVERING THE CORPORATION'S OPERATIONS AND SUMMARIZE THE
22 CORPORATION'S ACTIVITIES DURING THE PRECEDING FISCAL YEAR.

23 ~~13-514.~~ 13-513.

24 (A) THE CORPORATION IS EXEMPT FROM:

25 (1) STATE AND LOCAL TAXES;

26 (2) TITLE 10 AND DIVISION II OF THE STATE FINANCE AND
27 PROCUREMENT ARTICLE;

28 (3) LAWS GOVERNING THE STATE PERSONNEL MANAGEMENT SYSTEM
29 UNDER DIVISION I OF THE STATE PERSONNEL AND PENSIONS ARTICLE;

30 (4) TITLE 10, SUBTITLE 5 OF THE STATE GOVERNMENT ARTICLE; AND

31 (5) ARTICLE 31, §§ 9, 10, AND 11 OF THE CODE.

32 (B) THE CORPORATION, ITS BOARD OF DIRECTORS, AND EMPLOYEES ARE
33 SUBJECT TO:

1 (1) THE PUBLIC ETHICS LAW, TITLE 15 OF THE STATE GOVERNMENT
2 ARTICLE; AND

3 (2) THE PUBLIC INFORMATION ACT, TITLE 10, SUBTITLE 6 OF THE STATE
4 GOVERNMENT ARTICLE.

5 (C) (1) THE CORPORATION ~~SHALL~~ MAY RECEIVE ANNUAL FUNDING
6 THROUGH AN APPROPRIATION IN THE STATE BUDGET.

7 (2) THE CORPORATION MAY ALSO RECEIVE FUNDS FOR PROJECTS
8 INCLUDED IN THE BUDGETS OF STATE UNITS.

9 (3) ALL UNEXPENDED AND UNENCUMBERED FUNDS APPROPRIATED TO
10 THE CORPORATION SHALL REMAIN WITH THE CORPORATION FOR FUTURE USES.

11 (4) THE CORPORATION SHALL CONDUCT ITS FINANCIAL AFFAIRS IN
12 SUCH A MANNER THAT, BY THE YEAR 2020, IT SHALL BE SELF-SUFFICIENT AND IN NO
13 FURTHER NEED OF GENERAL OPERATING SUPPORT BY THE STATE.

14 (D) THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF NATURAL
15 RESOURCES, THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, THE
16 MARYLAND FOOD CENTER AUTHORITY, THE MARYLAND ECONOMIC DEVELOPMENT
17 CORPORATION, THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION, THE
18 RURAL MARYLAND COUNCIL, AND MARYLAND COOPERATIVE EXTENSION SERVICE
19 MAY PROVIDE TECHNICAL AND OTHER SUPPORT TO THE CORPORATION.

20 (E) EACH UNIT IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT AND
21 EACH INSTITUTION OF HIGHER EDUCATION IN THE STATE MAY WORK WITH THE
22 CORPORATION ON MATTERS RELATING TO THE UNIT.

23 (F) EACH COUNTY, MUNICIPAL CORPORATION, AND REGIONAL PLANNING
24 AND DEVELOPMENT COUNCIL IN THE STATE MAY WORK WITH THE CORPORATION
25 ON MATTERS RELATING TO THE POLITICAL SUBDIVISION OR ENTITY.

26 ~~13-515.~~ 13-514.

27 (A) ALL DEBTS, CLAIMS, OBLIGATIONS, AND LIABILITIES OF THE
28 CORPORATION, WHENEVER INCURRED, SHALL BE THE DEBTS, CLAIMS,
29 OBLIGATIONS, AND LIABILITIES OF THE CORPORATION ONLY AND NOT OF THE
30 STATE, UNITS OF STATE GOVERNMENT, OTHER STATE INSTRUMENTALITIES, OR
31 STATE OFFICERS OR EMPLOYEES.

32 (B) THE DEBTS, CLAIMS, OBLIGATIONS, AND LIABILITIES OF THE
33 CORPORATION MAY NOT BE CONSIDERED A DEBT OF THE STATE OR A PLEDGE OF ITS
34 CREDIT.

35 ~~13-516.~~ 13-515.

36 THIS SUBTITLE SHALL BE LIBERALLY CONSTRUED TO CARRY OUT ITS
37 PURPOSES.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the initial terms of the
2 members of the board of directors of the Maryland Agricultural and Resource-Based
3 Industry Development Corporation appointed under Article 41, § 13-504(b)(2) of the
4 Code, as enacted by Section 1 of this Act, expire as follows:

- 5 (1) 3 members in 2008;
- 6 (2) 3 members in 2007;
- 7 (3) 3 members in 2006;
- 8 (4) 2 members in 2005.

9 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the
10 General Assembly that State funding for the corporation should be provided within
11 existing resources of the Departments of Agriculture, Budget and Management,
12 Business and Economic Development, Environment, and Housing and Community
13 Development and any other State agency determined to be appropriate by the
14 Secretary of Budget and Management. Other than existing resources, additional
15 funding may not be provided for the staffing, operations, or capital needs of the
16 corporation until the State's fiscal crisis and structural deficit is resolved.

17 SECTION ~~3-4~~. AND BE IT FURTHER ENACTED, That if any provision of
18 this Act or the application thereof to any person or circumstance is held invalid for
19 any reason in a court of competent jurisdiction, the invalidity does not affect other
20 provisions or any other application of this Act which can be given effect without the
21 invalid provision or application, and for this purpose the provisions of this Act are
22 declared severable.

23 SECTION ~~4-5~~. AND BE IT FURTHER ENACTED, That this Act shall take
24 effect July 1, 2004.